



February 24, 2022

SUMMARY OF BILL AS AMENDED (013395): Authorizes a county trustee (Trustee) to accept prepayments of property taxes (Prepayments) in addition to partial payments of property taxes (Partial Payments) and specifies that such payments shall be held by the Trustee in a designated revenue account.

Requires a Trustee to file a plan with the Comptroller of the Treasury (COT) prior to the acceptance of any Prepayment.

Provides that the delinquent date for property taxes and interest applicable to such taxes is not affected by the application of a prepayment system, and that if a Prepayment is accepted, it is non-refundable and does not release the tax lien on the property upon which the taxes were assessed.

Removes the requirement for a county legislative body to adopt a resolution by two-thirds vote and certify a copy of said resolution to the Secretary of State (SOS).

FISCAL IMPACT OF BILL AS AMENDED:

NOT SIGNIFICANT

Assumptions for the bill as amended:

- Pursuant to Tenn. Code Ann. 67-5-1808:
 - A Trustee may accept Partial Payments;
 - Any Partial Payment that is received before the later of July 1 or the date the property tax rate for the current year is established shall be held in a designated revenue account established to hold undistributed taxes and then transferred to the revenue account established for the current year's taxes.
 - Prior to accepting any Partial Payment, the Trustee shall file a plan with the COT at least 30 days prior to the acceptance of the payments and the COT must acknowledge receipt of the plan and provide written comments regarding the plan to the Trustee prior to implementation.
 - The delinquent date for property taxes and interest applicable is not affected by application of a Partial Payment system.
 - If a Partial Payment is accepted, it does not release the tax lien on the property upon which the taxes were assessed.

- The proposed legislation:
 - Authorizes a Trustee to accept Prepayments in addition to Partial Payments;
 - Clarifies that the payments shall be held by the Trustee in a designated revenue account.
 - Subjects Prepayments to the same statutory requirements and provisions that apply to Partial Payments; and
 - Establishes that both Prepayments and Partial Payments are non-refundable.
- As the proposed legislation is extending current authorizations and requirements concerning Partial Payments to Prepayments, it is assumed that any impact to state or local government is not significant.
- Clarifying that such payments shall be held by the Trustee will not result in any significant impact to local government.
- The proposed legislation does not affect the amount of property tax or other payments due.
- Removing the requirement for a county legislative body to adopt a resolution by two-thirds vote and certify a copy of said resolution to the SOS will not result in any significant impact to state or local government.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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